

Testimony in support of HB 499

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On Jan. 13, 2012 the Attorney General issued a decision that found that any separate structure on a parcel of land could be classified as a "subdivision" and forced to undergo extremely expensive and often impossible review criteria. This is called "subdivision for lease or rent" (SLR) and now exposes thousands of businesses, especially small businesses, across Montana to ruinous costs.

This isn't theoretical. This is happening to my own guest ranch in Lolo where I'm on the verge of being forced to close and loose hundreds of thousands of dollars of investment because of a building that was legally built in the 1980s that we use as accommodations for guest ranch clients.

Subdivision for lease or rent is a big problem; but a comprehensive solution may be difficult to find. A comprehensive solution passed the last legislature 2011 (HB 494); however, Governor Schweitzer's amendatory veto version of it failed to pass the Senate by one vote. The governor then vetoed the original version of HB 494.

HB 499 is not a comprehensive solution however it takes a huge bite out of the problem by exempting people with existing structures on their property and businesses from being retroactively classified as unauthorized subdivisions and having to spend 10s of thousands of dollars in meaningless paperwork to be reviewed as "subdivisions". There are hundreds of businesses and probably thousands of individuals in each of your districts who will be protected when HB499 becomes law.

It is a matter of basic fairness not to change the rules under which a business was started or under which an individual built an apartment in a detached building to rent or lease or let to relatives or visitors live in. If comprehensive SLR doesn't pass and get signed by the governor, then the existing law has the potential to devastate thousands of businesses and individuals RETROACTIVELY who thought they were doing everything right when they did it.

Your County may not currently have county officials like we have in Missoula County who have misguidedly applied the subdivision law retroactively to individuals with more than one building on their property. However, there is no guarantee that you won't get someone in your county like we have in Missoula County. Remember it was Missoula County's interpretation of the subdivision law that lead to the Attorney General's decision that extended this problem to the entire state. Don't let Missoula County set yet another legal precedent by failing to stop them from retroactive implementation of the subdivision for lease or rent law as such a precedent that will leave no business in Montana safe from a similar threat. Subdivision for lease or rent needs comprehensive reform; but if it doesn't happen this session than every business in Montana will thank you for having passed HB 499.